

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

903C0629

SENATE APPROPRIATIONS COMMITTEE

ENGROSSED NO. **SB164** - 2/18/99

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsors.

Introduced by: Senators Kloucek and Lange and Representatives Chicoine, Hanson, Kazmerzak, Lockner, Lucas, and Nachtigal

1 FOR AN ACT ENTITLED, An Act to regulate certain livestock packer transactions.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. Terms used in this Act mean:

4 (1) "Livestock," live cattle, swine, or sheep;

5 (2) "Packer," a person who is engaged in the business of slaughtering livestock or
6 receiving, purchasing, or soliciting livestock for slaughtering, the meat products of
7 which are directly or indirectly to be offered for resale or for public consumption.

8 Packer includes an agent of the packer engaged in buying or soliciting livestock for
9 slaughter on behalf of a packer. Packer does not include a cold storage plant or frozen
10 food locker plant.

11 Section 2. A packer purchasing or soliciting livestock for slaughter in this state may not
12 discriminate in prices paid or offered to be paid to sellers of that livestock. This section does not
13 apply to the sale and purchase of livestock if the following requirements are met:

14 (1) The price differential is based on the quality of the livestock, if the packer purchases
15 or solicits the livestock based upon a payment method specifying prices paid for

1 criteria relating to carcass merit; actual and quantifiable costs related to transporting
2 and acquiring the livestock by the packer; or an agreement for the delivery of
3 livestock at a specified date or time; and

4 (2) After making a differential payment to a seller, the packer publishes information
5 relating to the differential pricing, including the payment method for carcass merit,
6 transportation and acquisition pricing, and an offer to enter into an agreement for the
7 delivery of livestock at a specified date or time according to the same terms and
8 conditions offered to other sellers.

9 Section 3. A packer shall provide all sellers with the same terms and conditions offered to
10 a seller who receives a differential price based on any of the criteria described in section 2 of this
11 Act.

12 Section 4. A packer shall, at the end of each day during which livestock are purchased or
13 contracted, provide to the United States Department of Agriculture, agricultural market service
14 livestock market news branch, and the South Dakota Department of Agriculture, all prices paid
15 for livestock, both contract and direct purchased, that day.

16 Section 5. Any agreement made by a packer in violation of this Act is voidable. Any packer
17 acting in violation of this section is guilty of a fraudulent practice.

18 Section 6. The attorney general shall enforce the provisions of this Act and the Department
19 of Agriculture shall refer any violations of these provisions to the attorney general. The attorney
20 general or any person injured by a violation of these provisions may bring an action in circuit
21 court to restrain a packer from violating these provisions. A seller who receives a discriminatory
22 price or who is offered only a discriminatory price for livestock based upon a violation of these
23 provisions by a packer has a civil cause of action against the packer and, if successful, shall be
24 awarded treble damages.

25 Section 7. Any packer shall make available for publication and to the Department of

1 Agriculture, a daily report setting forth information regarding prices paid for livestock, under
2 each contract in force, in which the packer and a South Dakota resident are parties for the
3 purchase of the livestock by the packer, and which sets a date for delivery more than twenty days
4 after the making of the contract.

5 The reports shall be completed on forms prepared by the department for comparison with
6 cash market prices for livestock according to procedures required by the department in rules
7 promulgated pursuant to chapter 1-26. The report may not include information regarding the
8 identity of a seller.

9 A failure of a packer to report as required by this section is punishable by a civil penalty not
10 to exceed ten percent of the packer's gross purchases within the period of violation. The
11 department shall refer to the attorney general any packer or packer's agent who the department
12 believes is in violation of the provisions of this Act. The attorney general may, upon referral from
13 the department, file an action in circuit court to enforce these provisions.

14 Section 8. This Act shall take effect when the legislatures of the states of Minnesota, Iowa,
15 Wyoming, and Nebraska have enacted substantially similar legislation. The attorney general of
16 South Dakota may be notified by any South Dakota citizen of said enactments and within thirty
17 days shall substantiate the legislative enactments and enforce the provisions of this Act.

18 Section 9. In the event the provisions of section 8 are not fulfilled, the Senate engrossed
19 version of Senate Bill 95 is hereby repealed.

1 **BILL HISTORY**

2 1/27/99 First read in Senate and referred to Appropriations. S.J. 214

3 2/3/99 Scheduled for Committee hearing on this date.

4 2/17/99 Appropriations Hog Housed.

5 2/17/99 Scheduled for Committee hearing on this date.

6 2/17/99 Appropriations Do Pass Amended, Passed, AYES 7, NAYS 3. S.J. 514